

DETAILED INSTRUCTOR OUTLINE
PRESCRIBED CURRICULUM
SALESPERSON'S LICENSE
(Minimum 90 Hours)

This is a detailed instructor outline of the prescribed curriculum for the Arizona real estate salesperson's pre-licensure course. The course comprises a minimum of 90 hours of classroom instruction and is one prerequisite to filing an application for real estate salesperson's license.

As a part of the pre-license course, the school is required to show, and students are required to watch, an Arizona Department of Real Estate (ADRE) produced 'Orientation' video/DVD prior to or during the student's first class.

Student attendance at all sessions of the prelicense course is required. Attendance includes that the student pay attention to the instructor, participate in class discussions and activities, and complete all assigned exercises and homework.

A student must attend the entire course and successfully pass the school's final examination on the curriculum before the school can certify the student's completion.

Consult the Candidate Information Bulletin for detailed information on examination procedures, applicable forms, and registering for the examination (experioronline.com).

ARIZONA DEPARTMENT OF REAL ESTATE

2910 North 44th St., Ste 100, Phoenix, AZ 85018
www.re.state.az.us

1-7-2006

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1. Real Estate Statutes

- 1.1. Sources of Real Estate Law
 - 1.1.1 State Constitution - Article 26
 - 1.1.2. Statutes - Federal, State (A.R.S. Title 32, Chapter 20), Administrative Rules
 - 1.1.3. Case Law
- 1.2. Arizona Real Estate Statutes -Title 32 Chapter 20
 - 1.2.1 Real Estate Department Structure - Article 1
 - 1.2.1.1. Commissioner
 - 1.2.1.2. Advisory Board
 - 1.2.2. Licensing -Article 2
 - 1.2.2.1. Parties required to be licensed
 - 1.2.2.2. License exemptions
 - 1.2.2.3. Broker & Salesperson requirements
 - 1.2.2.4. Licensing fees
 - 1.2.2.5. Multiple licenses
 - 1.2.2.6. License transfer
 - 1.2.2.7. Renewal of license
 - 1.2.2.8. Designation(s)
 - 1.2.2.9. Temporary licenses
 - 1.2.3. Regulation Article 3
 - 1.2.3.1. Funds -Trust Account
 - 1.2.3.2. Broker requirements - recordkeeping
 - 1.2.3.3. Employment Agreements (32-2151.02)
 - 1.2.3.4. Collecting compensation
 - 1.2.3.5. Grounds for denial of license, civil penalty, license suspension or revocation, provisional license
 - 1.2.3.6. Consent Orders, Cease & Desist Orders, Summary Suspensions
 - 1.2.3.7. Restriction on employment or compensation
 - 1.2.4. Requirements for Property Management -Article 3.1 (32-2173)
 - 1.2.4.1. Agreements
 - 1.2.4.2. Employment Agreements
 - 1.2.4.3. Trust accounts
 - 1.2.4.4. Records
 - 1.2.4.5. Unlicensed employee activities
 - 1.2.5. Sale of Subdivided Lands -Article 4
 - 1.2.5.1. Definition
 - 1.2.5.2. Procedures
 - 1.2.5.3. Issuance of Public Report (see Commissioner's Rules, Article 12)
 - 1.2.5.4. Exemptions
 - 1.2.5.5. Bulk Sales
 - 1.2.5.6. Voidable Sales
 - 1.2.5.7. Advertising Material

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- 1.2.5.8. Inducements
- 1.2.6. Sale of Unsubdivided Land -Article 7
 - 1.2.6.1. Definition
 - 1.2.6.2. Procedure and requirement
 - 1.2.6.3. Issuance of Public Report
- 1.2.7. Real Estate Recovery Fund -Article 5
 - 1.2.7.1. Definition
 - 1.2.7.2. Brokers responsibilities
 - 1.2.7.3. Current changes and updates
- 1.2.8. Cemetery, Real Estate Timeshares
& Membership Camping -Articles 6, 9 & 10

2. Commissioner's Rules -Arizona Administrative Code

- 1.2. License Timeframes
- 2.2. General License Requirements
 - 2.2.1. Non-resident Licenses
 - 2.2.2. Employing Broker- Sole proprietors, Corporations, Limited Liability Companies and Partnerships
 - 2.2.3. Renewal, Reinstatement, Changes,
 - 2.2.4. Department notification
 - 2.2.5. Branch offices, managers
 - 2.2.6. Professional Corporations, Professional Limited Liability Companies
 - 2.2.7. Temporary Licenses and Certificate of Convenience
 - 2.2.8. Unlawful License Activity
- 2.3. Education
 - 2.3.1. Pre-licensure and state examination
 - 2.3.2. Continuing education
 - 2.3.3. School, course & instructor approval required
- 2.4. Advertising
 - 2.4.1. Requirements
 - 2.4.2. Promotional
 - 2.4.3. Owner/agent
 - 2.4.4. Blind ad
 - 2.4.5. Subdivisions, Timeshares & Membership Campgrounds
- 2.5. Commissions -Article 7
- 2.6. Documents -Article 8
 - 2.6.1. Conveying Documents
 - 2.6.2. Offer Acceptance
 - 2.6.3. Contract Disclosure

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- 2.7. Professional Conduct -Article 11
 - 2.7.1. Duties to Client/Customer
 - 2.7.2. Duties to all other parties
 - 2.7.3. Duties to other Licensees
 - 2.7.4. Fiduciary Responsibility
- 2.8. Investigations and Administrative Procedures
(see also A.R.S. § 41-1092, et seq.)

3. Agency Relationships & Managerial Duties

- 3.1. Law of Agency
 - 3.1.1. Types of agents
 - 3.1.1.1. Special
 - 3.1.1.2. General
- 3.2. Agency Relationships
 - 3.2.1. Dual Agency
 - 3.2.2. Single Agency
 - 3.2.3. Sub Agency
- 3.3. Fiduciary
- 3.4. Due Diligence
- 3.5. Misrepresentation & Fraud
 - 3.5.1. Definition
 - 3.5.2. Duty to Discover and Disclose
 - 3.5.3. Puffing
 - 3.5.4. E&O
- 3.6. Creating an Agency Relationship
 - 3.6.1. Expressed
 - 3.6.1.1. Written
 - 3.6.1.2. Oral
 - 3.6.2. Implied
 - 3.6.2.1. Ratified
 - 3.6.2.2. Ostensible
 - 3.6.2.3. Estoppel
- 3.7. Terminating an Agency Relationship
- 3.8. Employment Agreements
 - 3.8.1. Definition

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- 3.8.2. Types
- 3.8.3. Requirements for an Employment Agreement
 - 3.8.3.1. Listing
 - 3.8.3.2. Buyer's broker
- 3.8.4. Commissions
- 3.8.5. Multiple Listing Service/Co-brokerage.

4. Contracts and Contract Law

4.1. Contract Essentials and Terminology

- 4.1.1. Expressed contracts versus implied contracts
- 4.1.2. Unilateral Contracts versus bilateral contracts
- 4.1.3. Executed contracts
- 4.1.4. Valid, void, and voidable contracts
- 4.1.5. Enforceable contracts versus unenforceable contracts
- 4.1.6. Elements of a valid contract
 - 4.1.6.1. Competent parties
 - 4.1.6.1.1. Of legal age ("emancipated minors")
 - 4.1.6.1.2. Not a ward of the state (mentally ill or incarcerated)
 - 4.1.6.1.3. Not under duress (undue influence/or menace)
 - 4.1.6.1.4. Not under the influence of drugs
 - 4.1.6.2. Offer and acceptance (and proper notification of acceptance)
 - 4.1.6.3. Lawful objective (no conspiracy)
 - 4.1.6.4. Consideration ("valuable" vs. "good")
 - 4.1.6.5. Adequate description of the property/legal description
- 4.1.7. In writing (Statute of Fraud)
- 4.1.8. Signed by all appropriate parties
- 4.1.9. Joinder for contract amendments

4.2. The Concept "Reasonableness"

- 4.2.1. Implication
- 4.2.2. The ordinary, reasonable and prudent person

4.3. A "Bona Fide" Purchaser

- 4.3.1. Definition
- 4.3.2. Innocent Purchaser for Value

4.4. Real Estate Contract Requirements per Arizona Rules and Regulations

- 4.4.1. Broker Responsibilities -General
- 4.4.2. Notification of Acceptance
- 4.4.3. Earnest Money Responsibilities
- 4.4.4. Responsibilities to Present All Offers

4.5. Purchase Contract Concerns

- 4.5.1. Offer and Acceptance

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- 4.5.2. Amount of Earnest Deposit
- 4.5.3. Equitable Interest /Equitable Title
- 4.5.4. Close of Escrow -Actual Occurrence
- 4.5.5. Risk of Loss Before C.O.E.
- 4.5.6. Marketable Title
- 4.5.7. "Time is of the Essence"
- 4.5.8. Contingencies
- 4.5.9. Joinder for Contract Amendments
- 4.6. Contract Assignability
 - 4.6.1. Nominee
 - 4.6.2. Assignee
 - 4.6.3. Assignability Problems
 - 4.6.4. Fiduciary Responsibility; Disclosure as Nominee
- 4.7. Contract Termination
 - 4.7.1. Generally
- 4.8. Options and First Rights of Refusal

5. Property Interests, Estates and Tenancies

- 5.1. Property
 - 5.1.1. Real versus Personal
 - 5.1.1.1. When can sell manufactured home
 - 5.1.1.2. Affidavit of Affixture
 - 5.1.2. Fixtures/trade Fixtures
 - 5.1.3. Characteristics of Real Property
 - 5.1.4. Land and its Elements
 - 5.1.4.1. Definitions
 - 5.1.4.2. Mineral Rights
 - 5.1.4.3. Air Rights
 - 5.1.4.4. Horizontal Regimes
 - 5.1.5. Alternative Housing
- 5.2. The Estate Concept
 - 5.2.1. Estates in Land
 - 5.2.2. Freehold Estates
 - 5.2.3. Conventional Life Estates
 - 5.2.4. Homestead
- 5.3. Easements
 - 5.3.1. Appurtenant
 - 5.3.2. Engross
 - 5.3.3. Prescription

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- 5.4. Sole Ownership -Severalty
- 5.5. Co-Ownership -Concurrent Tenancy
- 5.6. Joint Tenancy
- 5.7. Joint Tenancy with Right of Survivorship
- 5.8. Tenancy in Common
- 5.9. Community Property
- 5.10. Community Property with Right of Survivorship
- 5.11. Syndication
- 5.12. Modern Types of Common Ownership
 - 5.12.1. Cooperative
 - 5.12.2. Condominium
 - 5.12.3. Timeshare Ownership
 - 5.12.4. Land Trust
 - 5.12.5. Membership Camping Contracts
 - 5.12.6. Real Estate Investment Trust (REIT)
 - 5.12.7. Joint Venture
 - 5.12.8. Corporations, Limited Liability Companies, Partnerships (General, Limited)

6. Government Rights in Real Property

- 6.1. Eminent Domain
- 6.2. Police Power
- 6.3. Escheat
- 6.4. Real Property Taxation
 - 6.4.1. Taxes
 - 6.4.1.1. Residential
 - 6.4.1.2. Vacant land
 - 6.4.1.3. Commercial property
 - 6.4.2. Tax ratios and tax rates
 - 6.4.3. Lien priority
 - 6.4.4. Tax Sale

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6.4.5. Special Tax Assessments/Improvements

7. Tax Implications on Real Estate

7.1. Types of Income

7.1.1. Ordinary Income

7.1.2. Capital Gain Income

7.2. Sale of Principle Residence -Examples

7.2.1. Computing Gain

7.2.2. Deductibility of Expenses

7.2.3. Interest Deductions

7.3. Investment Real Estate

7.3.1. Depreciation "Cost Recovery"

7.3.2. Tax Shelter Concept

7.3.3. Tax Deferred Exchanges - Basic Concepts

8. Water Law

8.1. Definitions.

8.1.1. Erosion and accretion

8.1.2. Avulsion, alluvion and alluvium

8.1.3. Water table

8.2. Types of Water Sources

8.2.1. Aquifers

8.2.2. Percolated water

8.2.3. Underground rivers

8.2.4. Lakes, reservoirs, rivers and streams

8.2.5. Central Arizona Project (CAP)

8.2.6. Colorado River

8.2.7. Effluent

8.3 Water Users

8.3.1. Residential, commercial and industrial

8.3.2. Municipal (cities, towns, water districts) and private water companies

8.3.3 Special users (golf courses, lake developments, recreational)

8.4. Doctrine of water law applicable to Arizona

8.4.1. Riparian Doctrine

8.4.1.1. Navigable

8.4.1.2. Non-navigable

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- 8.4.2. Doctrine of Prior Appropriation
 - 8.4.2.1. First in time, first in right
 - 8.4.2.2. Reasonable use
 - 8.4.2.3. Beneficial use
- 8.4.3. Adjudication of Indian Tribe claims
- 8.5. Arizona Groundwater Act of 1980
 - 8.5.1. Reasons for the act
 - 8.5.1.1. Overdraft
 - 8.5.1.2. Subsidence
 - 8.5.2. Arizona Department of Water Resources
 - 8.5.3. Classification of water
 - 8.5.3.1. Groundwater
 - 8.5.3.2. Surface water
 - 8.5.4. Active Management Areas
 - 8.5.5. Irrigation Non-expansion Areas
 - 8.5.6. Grandfathered rights
 - 8.5.6.1. Irrigation
 - 8.5.6.2. Type I Non-irrigation
 - 8.5.6.3. Type II Non-irrigation
 - 8.5.7. Assured water supply versus Adequate Water Supply
 - 8.5.8. Transfer of Well Rights
 - 8.5.8.1. Is it required
 - 8.5.8.2. Transfer request
 - 8.5.9. Other permits and exemptions
 - 8.5.9.1. Service area rights
 - 8.5.9.2. Storage and recovery permits (recharge/percolation)
 - 8.5.9.3. Withdrawal permits
 - 8.5.9.4. Exempt wells
- 8.6. Wetlands in Arizona
 - 8.6.1. Definition
 - 8.6.2. Location in Arizona

9. Environmental Law / Disclosures

- 9.1. Regulators
 - 9.1.1. Environmental Protection Agency (EPA)
 - 9.1.2. Arizona Department Of Environmental Quality (ADEQ)
 - 9.1.3. County and City Health Officials
- 9.2. Environmental Laws And Regulations
 - 9.2.1. Federal - Comprehensive Environmental Response Compensation & Liability Act (CERCLA)
 - 9.2.2. State - Water Quality Assurance Revolving Fund (WQARF)

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- 9.3. Current Issues
 - 9.3.1. Mold
 - 9.3.2. Radon
 - 9.3.3. Asbestos
 - 9.3.4. Lead paint -contract requirements
 - 9.3.5. Underground storage tanks (UST)
 - 9.3.6. Formaldehyde/urea
 - 9.3.7. PCB's
 - 9.3.8. SBS (sick building syndrome)
 - 9.3.9. Pesticides and fertilizers
 - 9.3.10. Alternative wastewater systems/bulletin 12
 - 9.3.11. Wood infestation
 - 9.3.12. Dry wells and on-site retention
- 9.4. Due Diligence And Information Sources
 - 9.4.1. Public information
 - 9.4.2. Environmental audits
 - 9.4.3. Property inspection/observation
- 9.5. Liabilities
 - 9.5.1. Owner and operator
 - 9.5.2. Brokers and agents' disclosures
- 9.6. Remedy Terminology
 - 9.6.1. Abatement/remediation
 - 9.6.2. Management in place / encapsulation

10. Land Descriptions

- 10.1. Monuments and Markers
 - 10.1.1. Oldest Method
 - 10.1.2. Occasionally used today
- 10.2. Metes and Bounds
 - 10.2.1. Precise Directional Notations
 - 10.2.2. Primary System Many States
 - 10.2.3. Used as Supplement to Prevailing Descriptive Form
 - 10.2.3.1. metes
 - 10.2.3.2. bounds
 - 10.2.3.3. directional notation
 - 10.2.3.4. P.O.B. (point of Beginning)
- 10.3. Rectangular Survey
 - 10.3.1. Meridian

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- 10.3.2. Baselines
- 10.3.3. Range Lines
- 10.3.4. Township Lines
- 10.3.5. Correction Lines
- 10.3.6. Quadrangles/Checks
- 10.3.7. Sections
- 10.3.8. Fractional Sections
- 10.3.9. Government Lots
- 10.4. Subdivision (Lot, Block and Tract)
 - 10.4.1. Plat of Survey
 - 10.4.1.1. Filed with government office (zoning)
 - 10.4.1.1.1. city
 - 10.4.1.1.2. county
 - 10.4.1.2. Filed with Arizona Department of Real Estate when creating a lawful Subdivision
 - 10.4.2. Assessors Maps

11. Land Development & Construction

- 11.1. Land Development
- 11.2. Land Planning Terminology
 - 11.2.1. General Plan
 - 11.2.2. Master Planned Community
 - 11.2.3. Planned Unit Development
 - 11.2.4. Transportation Plan
 - 11.2.5. Buffer Zones
 - 11.2.6. Zoning/Changes
 - 11.2.7. Non-Conforming Use
 - 11.2.8. Variances
 - 11.2.9. Grandfathered Rights
- 11.3. Environmental Concerns -Impact Studies/Audits
- 11.4. Interstate Land Sales -Requirements
- 11.5. Construction Fundamentals
 - 11.5.1. Soil Preparation
 - 11.5.2. Orientation
 - 11.5.3. Foundation
 - 11.5.4. Roof Framing Styles
 - 11.5.5. Joist, Rafters And Load-Bearing Walls
 - 11.5.6. Exterior Trim

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- 11.5.7. Building Code -Regulations
- 11.5.8. New Home Builders' Warranties

12. Encumbrances

12.1. Non-monetary

- 12.1.1. Easements
- 12.1.2. Deed Restrictions/CC&R's
- 12.1.3. Encroachments
- 12.1.4. Clouds

12.2. Monetary (lien)

12.2.1. Theory

- 12.2.1.1. General vs. Specific
- 12.2.1.2. Voluntary vs. Involuntary
- 12.2.1.3. Equitable vs. Statutory

12.2.2. Application

- 12.2.2.1. Financing Liens
- 12.2.2.2. Property Tax Liens
- 12.2.2.3. Mechanic's Liens
 - (1) Justification
 - (2) Who has the lien right
 - (3) Pre-lien Notices
 - (4) Costs that cannot create a lien on the property
 - (5) What does a mechanic's lien attach to
 - (6) Priority of mechanic's liens
 - (7) Release or assignment of mechanic's liens
 - (8) Statutory rights/time periods

12.2.2.4. Judgment Liens

- (1) Creation
- (2) Recordation
- (3) Enforcement and Renewal

12.2.2.5. Income Tax Liens

13. Acquisition and Transfer of Title

13.1 Terminology

13.2. Methods of Transfer

- 13.2.1. Voluntary
- 13.2.2. Involuntary
- 13.2.3. Descent
- 13.2.4. Will

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- 13.3. Deeds
 - 13.3.1. Types
 - 13.3.2. Essential Elements
- 13.4. Notice
 - 13.4.1. Actual
 - 13.4.2. Constructive
- 13.5. Adverse Possession (Title and Easement)
- 13.6. Probate
- 13.7. Title Insurance
 - 13.7.1. Types of Policies
 - 13.7.1.1. Standard / Residential
 - 13.7.1.2. Extended ALTA
 - 13.7.1.3. Plain language
 - 13.7.1.4. Homeowner's
 - 13.7.2. Commitment for Title Insurance
 - 13.7.2.1. Schedule A
 - 13.7.2.2. Schedule B
 - 13.7.3. Endorsements

14. Escrow and Settlement (Not Including Math)

- 14.1. Definitions
- 14.2. Parties to the Escrow
- 14.3. Duties of the Escrow Officer
- 14.4. Settlement Statements
 - 14.4.1. Debits and Credits
 - 14.4.2. Sample Statement and Worksheet
- 14.5. Seller's disclosures required by law

15. Fair Housing and Americans With Disabilities Act

- 15.1. Fair Housing Laws
 - 15.1.1. History
 - 15.1.1.1. 1866 Civil Rights Law
 - 15.1.1.2. 1968 Federal Fair Housing

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- 15.1.1.3. Jones vs. Mayer 1968
- 15.1.1.4. Amendments
- 15.1.1.5. Equal Opportunity Lending
- 15.1.1.6. Steering
- 15.1.1.7. Blockbusting
- 15.1.1.8. Redlining
- 15.1.2. 1988 Fair Housing Legislation
- 15.1.3. Fair Housing Enforcement Provisions
- 15.1.4. Exemptions
 - 15.1.4.1. Federal
 - 15.1.4.2. State
- 15.1.5. Penalties for violations
 - 15.1.5.1. Federal
 - 15.1.5.2. State
 - 15.1.5.3. City
- 15.1.6. Advertising Requirements
- 15.2. Americans With Disabilities Act
- 15.3. Potential Conflicts
 - 15.3.1. Landlord Tenant Act
 - 15.3.2. CC&R's / Deed Restrictions

16. Leases and Leasehold Estates

- 16.1. Types of Leasehold Estate
- 16.2. Essentials of a Valid Lease
- 16.3. Types Of Leases/Payment Plans
 - 16.3.1. Graduated Lease
 - 16.3.2. Index Lease
 - 16.3.3. Percentage/Participation Lease
 - 16.3.4. Net Lease
 - 16.3.5. Gross Lease
 - 16.3.6. Ground Lease
 - 16.3.7. Sale And Leaseback
 - 16.3.8. Rental Agreement
 - 16.3.9. Commercial Lease Vs. Residential Lease
- 16.4. Assignment Vs. Subleasing
- 16.5. Termination Of The Lease
 - 16.5.1. Bankruptcy Of The Lessee
 - 16.5.2. Foreclosure Of A Mortgage

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17. Arizona Residential Landlord and Tenant Act

- 17.1. Purpose
- 17.2. Exceptions
- 17.3. Terms and Conditions of Rental Agreement
 - 17.3.1. Written Agreement
 - 17.3.2. Oral Agreement
 - 17.3.3. Late Charges
 - 17.3.4. Security Deposits
- 17.4. Landlord Responsibilities & Remedies
 - 17.4.1. Fit Premises
 - 17.4.2. Utilities
 - 17.4.3. Rules enforcement
 - 17.4.4. Security Deposit Refund
- 17.5. Tenant Responsibilities & Remedies
 - 17.5.1. Premises Clean and Safe
 - 17.5.2. Landlord Access
 - 17.5.3. Lawful Use
 - 17.5.4. Quiet Enjoyment Nuisance
 - 17.5.5. Self-help Minor Defects
- 17.6. Prohibited Acts of Landlord
 - 17.6.1. Withhold Essential Services
 - 17.6.2. Lockout of Tenant
 - 17.6.3. Distraint -Seizing Tenant's Personal Property for Rent Due
- 17.7. End of Rental Relationship
 - 17.7.1. Constructive Eviction (Chronology)
 - 17.7.2. Actual Eviction (Chronology)
 - 17.7.3. Abandonment
 - 17.7.4. Surrender by Tenant
- 17.8. State And Federal Considerations,
 - 17.8.1. State Occupancy Standards
 - 17.8.2. Fair Housing Laws

18. Property Management

- 18.1. Licensing Requirements
 - 18.1.1. Exemptions

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- 18.2. Owner -Broker Management Agreement
 - 18.2.1. Basic Requirements -per Title 32 Chapter 20, Article 3.1
 - 18.2.2. Salesperson Acting as a Property Manager
- 18.3. Trust Account -Property Management Specifics
- 18.4. Agency Law and the Property Manager
- 18.5. Owner/Tenant Associations
 - 18.5.1. Residential
 - 18.5.2. Commercial
- 18.6. General Property Management Issues
 - 18.6.1. Credit Issues
 - 18.6.2. Privacy Act
 - 18.6.3. Bankruptcy Issues
- 18.7. Arizona Slumlord Abatement Act (A.R.S. 33-1901 et seq.)
- 18.8. Owner Liability
 - 18.8.1. Dangerous Dogs
 - 18.8.2. Drugs and Other Current Legal Issues

19. Property Insurance And Warranties

- 19.1. Insurance Terminology
- 19.2. Types Of Properties And Policies
- 19.3. Indemnification
- 19.4. Warranties
 - 19.4.1. Contractors'
 - 19.4.2. Homeowners
- 19.5. National Flood Insurance Program
- 19.6. Claims History (Clue Report)

20. Appraisal -Terminology & Concepts

- 20.1. Terminology
 - 20.1.1. Appraisal /Appraiser

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- 20.1.2. Value
 - 20.1.2.1. Components of Value (Demand, Utility, Scarcity, Transferability)
 - 20.1.2.2. Objective Value versus Subjective Value
 - 20.1.2.3. Market Value (worth) versus Market Price (Value in Exchange)
 - 20.1.2.4. Types of Value
 - 20.1.2.4.1. Market Value
 - 20.1.2.4.2. Loan (Mortgage) Value
 - 20.1.2.4.3. Insurable Value
 - 20.1.2.4.4. Assessed (Taxable) Value
 - 20.1.2.4.5. Condemnation Value
 - 20.1.2.4.6. Salvage/Residual Value
 - 20.1.2.5. Concepts of Measurements
- 20.2. Appraisal Concepts and Principles of Value
 - 20.2.1. Highest and best use
 - 20.2.2. Substitution
 - 20.2.3. Change
 - 20.2.4. Anticipation
 - 20.2.5. Supply and Demand
 - 20.2.6. Contribution
 - 20.2.7. Increasing and Decreasing Returns (Marginal Returns) 8. Balance
 - 20.2.9. Conformity
 - 20.2.10. Progression and Regression
 - 20.2.11. Competition
 - 20.2.12. Integration, Equilibrium, and Disintegration (Growth, Stability, Decline, and Renewal)
 - 20.2.13. Plottage (Assemblage)
 - 20.2.14. Directional Growth
 - 20.2.15. Orientation
 - 20.2.16. Opportunity Cost
 - 20.2.17. Externalities
- 20.3. The Appraisal Process
 - 20.3.1. Sales comparison analysis approach to value
 - 20.3.1. Collection and analysis of data
 - 20.3.2. Extraction of component market values
 - 20.3.3. Adjustments to comparables for features different from the subject
 - 20.3.2. Cost Approach to Value (Appraisal by Summation)
 - 20.3.1. Estimation of site value (land value)
 - 20.3.2. Estimation of construction costs (building costs)
 - 20.3.3. Estimation of accrued depreciation from all sources
 - 20.3.3. Income Approach to Value
 - 20.3.1. Gross Rent Multipliers versus Gross Income Multipliers
 - 20.3.2. Direct Capitalization

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20.3.4. Correlation

20.4. Appraiser Licensing and Certification

20.4.1. Requirements

a. Separate License

b. Dual Licensure

20.4.2. Competitive Market Analysis ("CMA")

20.4.3. Appraisal

20.4.4. Broker Price Opinion (Exemption for Real Estate Licensees (A.R.S. § 32-3602 (A)))

21. Primary Lenders And The Secondary Market

21.1. Primary Lenders

21.1.1. Commercial Banks

21.1.2. Mortgage Brokers And Bankers

21.1.3. Life Insurance Companies

21.1.4. Credit Unions

21.1.5. Private Investor

21.2. Secondary Mortgage Market I

21.2.1. Federal National Mortgage Association

21.2.2. Government National Mortgage Association- Pools -Securities

21.2.3. Federal Home Loan Mortgage Corporation

21.2.4. Private Investor

21.2.5. Paper Terminology/Holder In Due Course

21.3. Types Of Repayment Plans

21.3.1. Fixed Rate Loan

21.3.2. Level Payment Loan

21.3.3. Straight/Term Loan

21.3.4. Adjustable Rate Loan

21.3.5. Graduated Payment Loan

21.3.6. Open Ended Loan

21.3.7. Blanket Loan

21.3.8. Bi-Weekly Loan

21.3.9. Reverse Annuity Mortgage

21.3.10. Zero Percent Interest

21.3.11. Interest Only

22. Residential Financing

22.1. FHA Title Programs

22.1.1. Qualification of Borrower

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- 22.1.2. Requirements of an FHA Insured Loan
- 22.2. Veterans Administration
 - 22.2.1. Borrower's eligibility
 - 22.2.2. Requirements of a V A Guaranteed Loan
- 22.3. Conventional Loans
 - 22.3.1. Buyer Qualifications
 - 22.3.2. Private mortgage insurance
- 22.4. Seller Carryback/Wraparound
- 22.5. Financial Institutions Reform Recovery Enforcement Act (FIRREA)
- 22.6. Truth in Lending (Regulation Z)
- 22.7. RESPA
- 22.8. Assumption Policies
- 22.8. Federal Reserve impact on interest

23. Commercial Financing

- 23.1. Financial Analysis
 - 23.1.1. Property Income & Expense Analysis (Annual Property Operating Data)
 - 23.1.2. Capitalization Rates
 - 23.1.3. Cash-On-Cash Returns
 - 23.1.4. Debt Coverage (Net Income-To-Deb) Ratios
 - 23.1.5. Cash Flow Projections
- 23.2. Uniform Commercial Code Search (Secretary Of State, Corporation Commission)
- 23.3. Seller Carry-Backs

24. Financing Documents

- 24.1. Financing Theory
 - 24.1.1. Lien Theory vs. Title Theory
 - 24.1.2. Hypothecation vs. Pledging

**DETAILED INSTRUCTOR OUTLINE
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- 24.2. Promissory Notes
- 24.3. Mortgages
- 24.4. Deeds of Trust
- 24.5. Agreement for Sale

25. Foreclosure

- 25.1. Processes of Foreclosure - Mortgage
 - 25.1.1. Filing of legal action
 - 25.1.2. Recording Lis Pendens
 - 25.1.3. Acceleration of Debt
 - 25.1.4. Court Action
 - 25.1.5. Sheriff's sales and bidding
 - 25.1.6. Sheriff's Certificate
 - 25.1.7. Six-month statutory redemption period
 - 25.1.8. Sheriff's Deed and delivery
 - 25.1.9. Rights of borrower in possession
 - 25.1.10. Difference between equity of redemption and statutory right of redemption
- 25.2. Processes of Foreclosure - Deed of Trust
 - 25.2.1. Contrasts to a Mortgage Foreclosure
 - 25.2.2. Non-Judicial Foreclosure (power of Sale)
 - 25.2.2.1. Preparation and recordation of Notice of Default and Trustee's Sale
 - 25.2.2.2. Parties required to be notified
 - 25.2.2.3. Use of Request for Notice of Default
 - 25.2.2.4. Trustor's right of reinstatement
 - 25.2.2.5. Absence of acceleration of debt
 - 25.2.2.6. Minimum time period prior to day of Trustee's Sale
 - 25.2.2.7. Trustee's sale and bidding h. Delivery of Trustee's Deed
 - 25.2.2.8. Absence of Statutory Right of Redemption
 - 25.2.3. Judicial Foreclosure Alternative
- 25.3. Deed in Lieu of Foreclosure
 - 25.3.1. Cancellation of debt
 - 25.3.2. Acquisition by lender subject to prior and subordinate liens
 - 25.3.3. Use of Deed in Lieu with estoppel
 - 25.3.4. Consideration (Purchaser for Value)

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(Minimum 90 Hours)

- 25.4. Proceeds and Lien Priorities Upon Foreclosure
 - 25.4.1. Recorded/ Non-recorded Interests
 - 25.4.2. Application of Foreclosure Proceeds
- 25.5. Post-Foreclosure Remedies
 - 25.5.1. Terminology
 - 25.5.2. Deficiency Judgments
 - 25.5.2.1. Residential
 - 25.5.2.1.1. Arizona Anti-deficiency Statutes
 - 25.5.2.1.2. Exceptions
 - 25.5.2.2. Commercial
 - 25.5.2.2.1. Recourse versus Non-recourse
- 25.6. Forfeiture of Agreement for Sale (aka Land Contract, Contract for Deed, Installment Contract, Land Sales Contract)
 - 25.6.1. Difference between foreclosure and forfeiture
 - 25.6.2. Default by Vendee
 - 25.6.3. Statutory reinstatement periods given to the buyer
 - 25.6.4. Notice of Election to Forfeit
 - 25.6.5. Notices to persons with recorded interests
 - 25.6.6. Completing the forfeiture through the Affidavit of Completion of Forfeiture versus quiet title action
 - 25.6.7. Required use of an account servicing agent to avoid quiet title action

26. Bankruptcy And Its Effect On Real Estate Business

- 26.1. Types Of Bankruptcy Relief
- 26.2. Impacts On Contracts/Transactions

27. Math

- 27.1. Proration Calculations
- 27.2. Appreciation and Depreciation Calculations
- 27.3. Property Tax Calculations
- 27.4. Net Proceeds Calculations
- 27.5. Loan Interest Calculations
- 27.6. Area and Volume Calculations
- 27.7. Capitalization Calculations
- 27.8. Commission Calculations
- 27.9. Ratio Calculations

28. Selling A Business

- 28.1. When is Real Estate License Not required
- 28.2. Area of Specialization, Designations
- 28.3. Recording of Interests

29. Cooperative Nature Of Real Estate

- 29.1. Professional Boards and Associations

DETAILED INSTRUCTOR OUTLINE
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(Minimum 90 Hours)

- 29.1.1. Functions
- 29.1.2. Standards
- 29.2. Multiple Listing Service
 - 29.2.1. How it works
 - 29.2.2. Who operates it
 - 29.2.3. Types (Residential, other)
- 29.3. Ethics and Professional Conduct
- 29.4. Practice of Brokerage
 - 29.4.1. Compensation
 - 29.4.2. Insurance
 - 29.4.3. Contractor agreements
 - 29.4.4. Expectations
 - 29.4.5. Performance standards
 - 29.4.6. Office policies
- 29.5. Related Careers
 - 29.5.1. Property management
 - 29.5.2. Finance
 - 29.5.3. Appraisal (limited to CMA as licensee)
 - 29.5.4. Property development